MINUTES OF THE
PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING
Room 445, State Capitol
January 29, 2013

Members Present:
Sen. Howard A. Stephenson, Co-Chair
Rep. Bradley G. Last, Co-Chair
Rep. Steve Eliason, House Vice Chair
Sen. Patricia W. Jones
Sen. Mark B. Madsen
Sen. Aaron Osmond
Sen. Daniel Thatcher
Sen. Steve Urquhart
Rep. Joel K. Briscoe
Rep. LaVar Christensen
Rep. Steve Handy
Rep. Mike S. Kennedy
Rep. David E. Lifferth
Rep. Carol Spackman Moss
Rep. Kraig Powell

Members Excused:
Sen. Stuart Adams, Sen. Lyle Hillyard

Members Absent:
Rep. Francis Gibson

Staff Present:
Mr. Ben Leishman, Legislative Fiscal Analyst
Mr. Thomas E. Young, Legislative Fiscal Analyst
Ms. Wendy Hill, Secretary

A copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov. A list of visitors and a copy of handouts are filed with the subcommittee minutes.

Co-Chair Last called the meeting to order at 8:25 am.

1.
1. Introduction

Rep. Last asked the Committee members and staff to introduce themselves.

2. Subcommittee Schedule & Work Plan

Mr. Ben Leishman, Fiscal Analyst, introduced the schedule and work plan. He gave an overview to the Subcommittee. All meeting materials are available online on the Legislature

webpage. The last two meetings will involve voting on the budget. Requests for Appropriations forms are available at the Fiscal Analysts office, requests must be submitted by the 7th of February. The final date for committee members to submit Intent Language, Statutory Change Language or Budget Request Items is February 21, 2013. A list of acronyms is included with the materials. A spreadsheet named "Major Budget-Related Items for the 2013 General Session" lists the items the Subcommittee needs act on. Items include: Section A - Minimum School Program (MSP) which includes the Basic School Program (BSP), Related to Basic School Program, and Voted and Board Local Levy Programs. Section B -School Building Program. Section C –Education Agencies which includes the Utah State Office of Education (USOE), USOE, – Initiative Programs, Educator Licensing, State Charter School Board, Child Nutrition Programs, Education Contracts, Fine Arts Outreach, Science Outreach and Utah Schools for the Deaf and Blind.

Vice-Chair Eliason asked for clarification about one-time items on the spreadsheet. Mr. Leishman will make modifications to the spreadsheet to include funding amounts that need approval. Mr. Leishman explained that Intent Language is guidance by the Legislature given to the Agency on its use of certain appropriations. Co-Chair Last said Intent Language insures money is spent where the Legislature intends. Co-Chair Stephenson asked about the deadline regarding Requests for Appropriations. Rep. Eliason asked footnotes on adjustments be added to the spreadsheet.

3. Public Education Budget Overview

Mr. Leishman discussed the Compendium of Budget Information (COBI). The COBI quick start guide available on the Utah Legislature webpage at: http://le.utah.gov/interim/2013/lfa/cobi2013/COBI2013.htm . COBI is a reference document for Utah's budget. The Committee can find details for 2013 General Session Public Education budget on this webpage. The COBI provides a summary of each program, background information, statutory references and funding histories. Tables outline the budget and give an accurate representation of the state budget. Detailed fund reports give specific information on where the funds originate.

Budget briefs are an additional tool for the legislature and are tied to line items or programs. The briefs include issues and recommendations from the staff. In FY 2013 the Legislature appropriated about $3.7 billion to support public education. State revenues including the General, Education, and Uniform School Funds provide 69 percent of the total appropriation. Local property tax revenues from the Basic Levy and the Voted & Board Local Levies contribute 16 percent, Federal funds contribute 13 percent, and other small revenue sources contribute two percent.

Currently there are 600,970 students in public schools, an increase of about 50,000 students from last year. There are 52,000 full time equivalent (FTE) employees.

The Minimum School Program (MSP) provides the majority of general operating revenues

to school districts and charter schools. The School Building Program (SBP) supports lower property tax school districts in building construction and renovation. Education Agencies include the Utah State Office of Education (USOE) which administers and supports public education services. Finally, Education Agencies also includes the budge for the Schools for the Deaf and the Blind (USDB) which provides educational services for sensory impaired students.

Rep. Christensen asked about more detail regarding budgetary line items. Mr. Leishman said in future briefs specific breakdowns will be given.

School districts and Charter schools report their finances to the USOE in the State Annual Financial Report and the Annual Program Report. The State Annual Financial Report is audited each year. Local Education Agency (LEA) total revenue sources for FY2012 were $4,958,807,466. And expenditures for FY2012 were $5,010,054,881.

Rep. Briscoe asked for clarification about the data source for the report. Rep. Eliason asked for this information in a common financial statement to see percentages and compare districts expenses. He also wanted to compare the average expenditure per student in each district. Co-Chair Last asked for clarification on Bonds issued by districts. Mr. Leishman will check on the data. USOE has financial reports on their webpage.

4. District Per Student Spending Comparisons

Mr. Chase Everton, Research Analyst, Utah Taxpayers Association presented Utah School District Comparisons. He distributed a report that compared expenditures between districts. The report showed the wide disparity of costs between districts. The report is available on the Utah Taxpayers Association website.

Sen. Madsen commented on teacher compensation and the inclusion of their benefit package. Rep. Moss commented on teacher compensation and take home pay. Mr. Everton spoke of the differences in property taxes between districts. Mr. Leishman provided data on benefits and salaries. Sen. Osmond commented about the inequitable tax burdens in the various districts. He asked for state data reporting the number of employees involved with instruction. Mr. Leishman said it is in the Superintendent's Annual Report on USOE's webpage. Rep. Briscoe questioned if the data gave a complete picture for the school district. Rep. Christensen said the information was valuable. He said it is important to keep good teachers in the classroom. Rep. Nielson he would like information about the number of licensed teachers in the classroom.

5. Introduction: State Superintendent & State Board of Education Priorities

Mr. Martell Menlove, Superintendent of Public Instruction, Utah State Office of Education, presented Utah State Board of Education priorities. He commented on the differences in districts and hopes for equity in funding. Two documents were distributed, "Promises to

Keep" and "State Board Of Education Funding Priorities, 2013 Legislative Session." Budget Items include: funding for growth, funding to cover the $25 million error, increasing the WPU, College and Career Ready Assessment Initiative, Early Intervention Initiatives, Teacher Evaluation Implementation, Professional Development (PD), programs for students at risk, new fiscal management software and data security, increased funding for students with severe disabilities, 1 to 1 Device Initiative, increase for growth in Dual Language program. The Board requests one-time money for infrastructure needed for adaptive testing, funding to help incoming high school students choose courses, High Quality Instruction, teacher supplies, and funds for the Beverly Taylor Sorenson Arts Program. He notified the committee of a possible decrease in Federal funds.

Mr. David L. Crandall, Vice-Chair, Utah State Board of Education, thanked the committee for their help with funding the Board's priorities.

MOTION: Sen. Handy moved to adjourn. The motion passed unanimously.

Co-Chair Last adjourned the meeting at 10:04 am.

<div align="center">Minutes were reported by Ms. Wendy Hill, Senate Secretary</div>

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Sen. Howard A. Stephenson, Co-Chair   Rep. Bradley G. Last, Co-Chair